

(04/10/97)

STK 5/24/97
(Initials) (Date)

(4) I will surrender the financial guarantee described in paragraph 3 above upon receipt of a written demand by the BLM. I will deliver or cause to be delivered, the financial guarantees described in paragraph 3 above within 45 days of the demand by the BLM, unless authorized, in writing, an additional time not to exceed 45 days.

STK
(Initials)

5/24/97
(Date)

(5) In the event that the costs of reclamation carried out by the BLM exceed the amount of the financial guarantee, I acknowledge that I shall remain liable for the required reclamation.

STK
(Initials)

5/24/97
(Date)

(6) I acknowledge that release of the requirement to maintain the financial guarantee does not release or waive any claim the BLM may have under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601 et seq., or any other applicable statutes or regulations.

STK
(Initials)

5/24/97
(Date)

(7) I acknowledge that non-existence of the financial guarantee described in paragraph 3 above, or my failure to deliver or cause to be delivered the financial guarantee, within the specified timeframes may lead to criminal prosecution under 18 U.S.C. § 1001 or 43 U.S.C. § 1733 and any other applicable authorities.

STK
(Initials)

5/24/97
(Date)

Stanley T. Kurkowski 5/24/97
(Signature) (Date)

Geologist, Continental Lime, Inc
(Title)

Sample Format
Reclamation Cost Estimation Summary Sheet¹
Notice Level Operations

Enter only those values in the cost estimate that are appropriate to this particular project. This summary sheet is to be accompanied by a worksheet describing how each itemized cost estimation was calculated.

A. Earthwork/Recontouring

	<u>Manpower(\$)²</u>	<u>Equipment(\$)</u>	<u>Materials(\$)</u>	<u>Total</u>
1. Roads	\$	\$ <u>720.</u>	\$	\$ <u>720.</u>
2. Drill Site(s)	\$ <u>2080.</u>	\$	\$	\$ <u>2080.</u>
3. Drill Hole Abandonment	\$	\$	\$ <u>132</u>	\$ <u>132.</u>
4. Pits/Adits/Trenches	\$	\$	\$	\$
5. Process Ponds	\$	\$	\$	\$
6. Heaps	\$	\$	\$	\$
7. Dumps (waste + landfills)	\$	\$	\$	\$
8. Tailings	\$	\$	\$	\$
9. Structure & Building Areas	\$	\$	\$	\$
10. Storage & Equipment Areas	\$	\$	\$	\$
11. Drainage Control Plan	\$	\$	\$	\$
12. Mobilization / Demobilization	\$	\$ <u>500.</u>	\$	\$ <u>500.</u>
13. Miscellaneous ³	\$	\$	\$	\$
Subtotal	\$ <u>2,080.</u>	\$ <u>1,220.</u>	\$ <u>132.</u>	\$ <u>3,432.</u>

B. Revegetation/Stabilization

1. Roads	\$	\$	\$ <u>24.</u>	\$ <u>24.</u>
2. Drill Site(s)	\$	\$	\$ <u>24.</u>	\$ <u>24.</u>
3. Pits/Adits/Trenches	\$	\$	\$	\$
4. Process Ponds	\$	\$	\$	\$
5. Heaps	\$	\$	\$	\$
6. Dumps (waste + landfills)	\$	\$	\$	\$
7. Tailings	\$	\$	\$	\$
8. Structure & Building Areas	\$	\$	\$	\$
9. Storage & Equipment Areas	\$	\$	\$	\$
10. Drainage Control Plan	\$	\$	\$	\$
11. Monitoring	\$	\$	\$	\$
12. Miscellaneous ³	\$	\$	\$	\$
Subtotal	\$	\$	\$ <u>48.</u>	\$ <u>48.</u>

C. Detoxification/Disposal of Wastes

1. Process Ponds	\$	\$	\$	\$
2. Heaps	\$	\$	\$	\$
3. Dumps (waste + landfills)	\$	\$	\$	\$
4. Tailings	\$	\$	\$	\$
5. Drainage Control Plan	\$	\$	\$	\$
6. Monitoring	\$	\$	\$	\$
7. Miscellaneous ³	\$	\$	\$	\$
Subtotal	\$	\$	\$	\$ <u>-0-</u>

	<u>Manpower(\$)²</u>	<u>Equipment(\$)</u>	<u>Materials(\$)</u>	<u>Total</u>
D. <u>Structures, Equipment, and Facilities Removal</u>	\$ _____	\$ _____	\$ _____	\$ <u>- 0 -</u>
E. <u>Insurance (On site liability)⁴</u>	\$ <u>52.20</u>			
F. <u>Contract Administration⁵</u>	\$ <u>626.40</u>			
G. <u>Bond (Performance & Payment)⁶</u>	\$ _____			
H. <u>Profit⁷</u>	\$ <u>348.00</u>			
I. <u>Total</u>	\$ <u>3,106.60</u>	\$ <u>1,220.00</u>	\$ <u>180.00</u>	
J. <u>Grand Total</u>	\$ <u>4,506.60</u>			

K. Remarks⁸

¹ All reclamation costs are to be calculated as third party contracts (the agency will put the reclamation contract out to bid in the event of operator default).

² For Federal construction contracts. Davis-Bacon wage rates are required. Wage rates must also contain FICA, SIIS, and other required coverage and benefits covering the workforce.

³ Miscellaneous items should be itemized on your accompanying worksheets.

⁴ Insurance premium is calculated at 1.5% of the total labor costs. Enter the premium amount only on this line.

⁵ For Federal construction contracts, use 18% of project costs for cost estimates up to \$1,000,000. Use 10% of project costs for cost estimates of \$1,000,000 and above.

⁶ Federal construction contracts over \$25,000 require both a performance and a payment bond (Miller Act, 40 USC 270 et seq.). Each bond premium is figured at 1.5% of total project costs. Enter the sum of both premium costs on this line.

⁷ For Federal construction contracts, use 10% of project costs.

⁸ If the quoted hourly rates contained FICA, SIIS, Davis-Bacon wage rates, insurance bond premiums, and profit: the operator may sign a statement under penalty of 18 USC 1001, that the above rates contain these items and that itemization of these costs are therefore not necessary.

The source of the equipment cost estimate is (ie. Cat Handbook, contractor estimate, etc.): _____

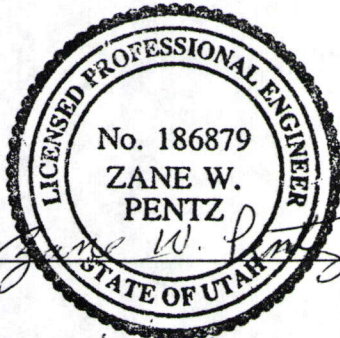
Contractor Estimate

Third Party Professional Engineer's Review

The enclosed calculations have been reviewed by me or by someone under my direct supervision. I certify that the calculations presented in this document represent reasonable anticipated reclamation costs associated with the mineral exploration and/or mining related project described herein.

Costs were determined from information provided by others and were based on methods normally used in the mine reclamation industry. Actual reclamation costs are contingent upon disturbance conditions at the time of reclamation, contractor performance, methodology, weather conditions, and many other factors beyond this engineer's control. Therefore, adherence to these reclamation cost estimates does not guarantee reclamation success. The engineer's signature shall not be construed to certify portions of the document for which he/she did not have responsible charge.

[stamp]



Signature: _____

Title: _____

Civil Engineer

Date: _____

May 21, 1997

Registration Number: _____

186879

Notice Level Reclamation Bond Checklist

NOTE: This checklist is provided to assist the operator in calculating the engineering and environmental costs required to properly stabilize and reclaim the area disturbed by mineral exploration and/or mining operations. It is not all inclusive, but is intended to serve as a reminder of issues that should be considered.

When requested, the BLM will assist the operator in developing reclamation procedures and obtaining a proper reclamation cost estimate.

Access roads and drill pads

1. Mobilization and demobilization
2. Recontouring or regrading to approximate the original topography as closely as possible.
3. Removing culverts.
4. Ripping or scarifying the surface.
5. Water diversion construction.
6. Revegetation.
7. Restoring or stabilizing drainage areas or stream beds.

Drill hole abandonment

1. These are the requirements given in NAC 534. The cost of plugging, capping, and segregation of the hole from the ground water system are to be considered. Drill holes that will be plugged as per NAC 534 with onsite drilling equipment do not have to be considered for bonding. Drill holes that will **not** be plugged as per NAC 534 with onsite drilling equipment must use a third party reclamation cost estimate. Drill holes that will be "mined through" within six months of drilling completion by the proposed operation do not have to be considered for bonding.

Trenches, pits, and adits

1. Mobilization and demobilization.
2. Recontouring or regrading to approximate the original topography as closely as possible.
3. Revegetation.
4. Securing portals from public entry.

Waste and development rock dumps, overburden, interburden storage areas

1. Recontouring and regrading to approximate the surrounding topography as closely as possible, to enhance stability, reduce susceptibility to erosion, facilitate efforts to establish vegetation and comply with visual resource management plans.
2. Diverting run-on.
3. Covering with rock, topsoil, or other growth medium.
4. Revegetation.

Dams for tailings ponds.

1. Covering with rock, topsoil, or other growth medium.
2. Revegetation.
3. Rendering the dam incapable of storing any mobile fluid in a quantity which could pose a threat to the stability of the dam, or to the public safety.
4. Containment basins and water treatment facilities for leakage or outflow of effluent.

Impoundment for tailings.

1. Regrading to promote run-off and reduce infiltration.
2. Covering with waste rock, topsoil, or other growth medium.
3. Revegetation.
4. Diverting run-off.
5. Containment basins and water treatment facilities for leakage or outflow of effluent.

Heaps from leaching.

1. Regrading to enhance structural stability, promote run-off, reduce infiltration, and control erosion.
2. Federal agencies will require detoxification and neutralization procedures to be covered by the bond.
3. Covering with waste rock, topsoil, or other growth medium.
4. Revegetation.
5. Stabilization.
6. Diverting run-off.
7. Containment and treatment of outflows of residual chemicals or fluids from the heaps.

Solution ponds, settling ponds, and other non-tailings impoundments.

1. Backfilling and grading pursuant to the land use plan for the site area.
2. Restoring the pre-disturbance surface water regime.

Building foundations, facilities, structures, and other equipment.

1. Demolishing costs to the level of the foundation and burying costs of the demolished items **on** site, in conformance with applicable solid waste and hazmat disposal requirements.
2. Salvaging and sale costs. No provision for salvage value or credit is permitted
3. Disposal costs of "a" above off site, in conformance with applicable solid waste disposal and hazmat requirements.
4. Costs of continued use in a manner that is consistent with the proposed post mining land use.

1. Providing for the public safety.
2. Stabilizing pit walls or rock faces where required for public safety.
3. Constructing and maintaining berms, fences, or other means of restricting public access.
4. Costs of creating and maintaining a lake for recreational, wildlife enhancement, or other beneficial use.
5. Revegetation.

Underground mines.

1. Sealing shafts, adits, portals, and tunnels to prevent access.
2. Constructing and maintaining berms, fences, or other means of restricting access.

Revegetation

1. Application of top soil or other growth medium.
2. Seed bed preparation.
3. Selection of appropriate species of seeds or plants (consult BLM staff specialist).
4. Soil amendments such as fertilizers, mulches, or other compounds to assist in plant growth.
5. Planting or seeding (equipment, personnel, cost of seeds/plants).

Site Maintenance and Site Monitoring

1. Any site monitoring costs as required by the BLM.
2. Monitoring well costs for heaps and tailings ponds if required by NDEP.

ITEMIZED WORKSHEETA. Earthwork / Recontouring1. Roads

Backhoe and Operator @ \$90.00 / hr x 8 hrs.	=	\$720.00
Backhoe Mob / Demob @ \$500.00	=	<u>500.00</u>
		\$1,220.00

2. Drill Site(s)

Manpower:

Cost of Geologist @ \$165.38 / day
 Rate of work is 7 drill sites / day

88 drill sites @ 7 drill sites / day x \$165.38 /day	=	\$2,079.06
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Materials:

88 drill sites x 88 bags concrete mix @ \$1.50	=	<u>132.00</u>
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\$2,211.06 .

B. Revegetation / Stabilization1. Revegetation Of Roads And Drill Pads

Disturbed Area:	88 drill pads @ 100 square feet =	8,800 sq. ft.
	250 ft. road @ 12 ft wide =	<u>3,000 sq. ft.</u>

11,800 sq. ft.

Total disturbed area is about one quarter acre

Native Seed Mix For One Acre:

1 lb yellow sweet clover	@	\$1.00
½ lb rubber rabbit bush	@	22.50
1 lb Indian rice grass	@	6.00
½ lb Palmer Penstamon	@	15.00
1 lb crested wheat grass (hi-crested)	@	2.00
1 lb Paiute orchard grass	@	<u>1.50</u>
		\$48.00

Page 2 of Reclamation Cost Estimation Summary Sheet is per sheet instructions.

Above worksheet by Stanley T. Krukowski, Geologist, Continental Lime, Inc. May 22, 1997